

**SENATE, No. 2155**

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**STATE OF NEW JERSEY**

**212th LEGISLATURE**

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INTRODUCED JULY 28, 2006

**Sponsored by:**

**Senator BOB SMITH**

**District 17 (Middlesex and Somerset)**

**Senator HENRY P. MCNAMARA**

**District 40 (Bergen, Essex and Passaic)**

**Co-Sponsored by:**

**Senators Adler, Kyrillos, Lance, T.Kean and Madden**

**SYNOPSIS**

Permits water and sewerage service sub-metering in multi-family dwellings to promote water conservation.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 2/6/2007)**

1 AN ACT concerning the sub-metering of water consumption in  
2 multiple dwellings, and supplementing Title 58 of the Revised  
3 Statutes.

4  
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6 *of New Jersey:*

7  
8 1. Sections 1 through 5 of this act shall be known and may be  
9 cited as the "Water Conservation and Metering Act."

10  
11 2. The Legislature finds and declares that the conservation of  
12 water resources is vitally important to the future of our State.

13 The Legislature further finds and declares that in order to  
14 enhance the conservation of water resources, it is necessary to grant  
15 specific authority to apartment owners for the sub-metering of water and  
16 wastewater disposal service provided to tenants of multi-family  
17 dwellings throughout the State.

18 The Legislature therefore determines that it is appropriate for the  
19 Department of Environmental Protection, upon consultation with  
20 the Department of Community Affairs, which has extensive  
21 regulatory authority over multi-family housing, to adopt rules and  
22 regulations governing the installation and use of sub-metering as a  
23 water conservation method.

24  
25 3. As used in sections 1 through 5 of  
26 P.L. , c. (C. )(pending before the Legislature as this bill):

27 "Dwelling unit" means an individual residential unit in a multi-  
28 family dwelling.

29 "Local government unit" means (1) a State authority, district  
30 water supply commission, county, municipality, municipal, county  
31 or regional utilities authority, municipal water district, joint meeting  
32 or any other political subdivision of the State authorized pursuant to  
33 law to operate or maintain a public water supply system or to  
34 construct, rehabilitate, operate or maintain water supply facilities or  
35 otherwise provide water for human consumption; or (2) a State  
36 authority, county, municipality, municipal, county or regional  
37 sewerage or utility authority, municipal sewerage district, joint  
38 meeting, improvement authority, or any other political subdivision  
39 of the State authorized to construct, operate and maintain a  
40 wastewater treatment system.

41 "Multi-family dwelling" means any building or structure or  
42 complex of buildings or structures in which three or more dwelling  
43 units are rented or leased or offered for rental or lease for  
44 residential purposes except hotels, motels or other guesthouses  
45 serving transient or seasonal guests as those terms are defined in  
46 section 3 of the "Hotel and Multiple Dwelling Law," P.L.1967, c.76  
47 (C.55:13A-3).

1 "Owner" means the legal titleholder of a multi-family dwelling,  
2 including any individual, corporation, company, partnership, firm,  
3 association or other business concern that purports to be the  
4 landlord of tenants in the multi-family dwelling.

5 "Sub-metering" means the use of a metering device by an owner  
6 that receives water supply service or sewerage service from a local  
7 government unit or water purveyor, which metering device measures  
8 water supplied to a tenant for the purpose measuring the tenant's  
9 actual consumption and the charging of the tenant of a dwelling unit  
10 separately for water supply service and sewerage service usage.

11 "Tenant" means a person or persons who is entitled to occupy a  
12 dwelling unit to the exclusion of others and who is obligated to pay for  
13 the occupancy under a written or oral rental agreement.

14 "Water purveyor" means any investor-owned water company or  
15 small water company that owns or operates a public water system.  
16

17 4. a. Any owner may provide for sub-metering of each dwelling  
18 unit for the total or partial measurement of the quantity of water, if  
19 any, consumed by the tenants. Tenants may be billed for water  
20 consumption based on the following methodologies:

21 (1) In the event that the sub-meters measure all of the water  
22 used in the dwelling unit, the bill shall be equal to the amount of  
23 water consumed multiplied by the applicable water service charges  
24 or sewerage service charges, or a calculation based on those service  
25 charges, provided that in no event shall the tenants be charged more  
26 in total than the owner's total water service charges or sewerage  
27 service charges by the local government unit or water purveyor, as  
28 appropriate.

29 (2) Tenants may be charged a reasonable administrative fee that  
30 represents the owner's actual costs in administering the billing  
31 program, included services provided by a third-party vendor,  
32 including an account set-up fee and a reasonable monthly service  
33 fee. Tenants that fail to pay the sub-metered bill within the  
34 specified payment period, which shall be no less than 15 days, may be  
35 assessed a fee no greater than \$25.00 for each late payment.

36 b. Any multi-family dwelling owner utilizing the authority  
37 conferred in subsection a. of this section shall disclose in the lease  
38 such sub-metering to each tenant, and shall include a description of  
39 the billing method used and list of specified amounts charged for  
40 billing fees, late fees, or both, as applicable.

41 c. All sub-meters installed pursuant to this section shall meet  
42 accuracy standards of the American Society of Mechanical  
43 Engineers, the American National Standards Institute, the American  
44 Water Works Association, the National Institutes of Standards and  
45 Technology, the International Association of Mechanical and  
46 Plumbing Officials, or a similar nationally recognized association.

47 d. Bills sent to tenants shall include the following items:

48 (1) Opening and closing measurements;

1 (2) Description of charges and billing method; and

2 (3) Identification of the billing company, including a toll-free  
3 number and website for tenants to use for questions regarding the  
4 bill.

5 e. The cost of the installation of the sub-meter shall not be  
6 passed on to the tenant.

7 f. Water service charges or sewerage service charges relating to  
8 sub-metering shall be exempted from any local rent control  
9 ordinance governing allowable increases.

10 g. Sub-metering shall be permitted immediately upon the  
11 effective date of this act, and sub-metering technology may be  
12 installed at any time during the tenancy, provided that for dwelling  
13 units that are occupied by a tenant, sub-metering billing shall not  
14 commence until the following: renewal date of the lease, and that  
15 statements for six consecutive billing cycles shall have been sent to  
16 the tenant by the owner, or the owner's billing company, without  
17 charge, informing the tenant what their water service charges or  
18 sewerage service charges and administrative fees would have been  
19 had the tenant been receiving actual bills.

20

21 5. The Department of Environmental Protection, in consultation  
22 with the Department of Community Affairs, shall adopt, within 120  
23 days of the effective date of this act and pursuant to the  
24 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
25 seq.), rules and regulations as are necessary to effectuate the  
26 purposes of this act.

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28 6. This act shall take effect immediately.

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## STATEMENT

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33 This bill permits the sub-metering of water consumption in  
34 multi-family dwellings to promote water conservation.

35 The bill permits the owner of any multi-family dwelling to  
36 provide for sub-metering of each dwelling unit for the total or  
37 partial measurement of the quantity of water, if any, consumed by  
38 the tenants.

39 Tenants may be billed for water consumption based on the  
40 following methodologies:

41 (1) In the event that the sub-meters measure all of the water  
42 used in the dwelling unit, the bill shall be equal to the amount of  
43 water consumed multiplied by the applicable water service charges  
44 or sewerage service charges, or a calculation based on those service  
45 charges. However, the tenants shall not be charged more in total  
46 than the owner's total water service charges or sewerage service  
47 charges by the local government unit or water purveyor, as  
48 appropriate.

1       (2) Tenants may be charged a reasonable administrative fee that  
2 represents the owner's actual costs in administering the billing  
3 program, included services provided by a third-party vendor,  
4 including an account set-up fee and a reasonable monthly service  
5 fee. Tenants that fail to pay the sub-metered bill within the  
6 specified payment period, which shall be no less than 15 days, may be  
7 assessed a fee no greater than \$25.00 for each late payment.

8       Any multi-family dwelling owner installing a sub-metering  
9 system must disclose this information in the lease to each tenant,  
10 and must include a description of the billing method used and list of  
11 specified amounts charged for billing fees, late fees, or both, as  
12 applicable.

13       Bills sent to tenants must include the following items: (1) the  
14 opening and closing measurements; (2) a description of charges and  
15 billing method; and (3) the identification of the billing company,  
16 including a toll-free number and website for tenants to use for  
17 questions regarding the bill. The cost of the installation of the sub-  
18 meter cannot be passed on to the tenant.

19       The bill provides that all water service charges or sewerage  
20 service charges relating to sub-metering would be exempted from  
21 any local rent control ordinance governing allowable increases.

22       Sub-metering would be permitted immediately upon the bill's  
23 effective date, and sub-metering technology may be installed at any  
24 time prior to that date. However, for dwelling units that are  
25 occupied by a tenant, sub-metering billing may not commence until  
26 the following: renewal date of the lease, and that statements for six  
27 consecutive billing cycles must have been sent to the tenant by the  
28 owner, or the owner's billing company, without charge, informing  
29 the tenant what their water service charges or sewerage service  
30 charges and administrative fees would have been had the tenant  
31 been receiving actual bills.